

NEWBERG URBAN RENEWAL FEASIBILITY STUDY

Kiwanis Club of Newberg

July 9, 2020



WHAT IS URBAN RENEWAL?

1. Urban renewal is a local government tool used to improve and revitalize areas within a city.
2. Used to implement economic development strategies and comprehensive plan goals. Urban renewal allows local governments to focus investments on a particular area to encourage public and private development.

Why Use Urban Renewal?



Urban renewal is a successful tool for reinvigorating communities across Oregon

Provides funds to implement existing city plans

Makes our city more enjoyable and accessible for community and family activities

Helps facilitate development to create jobs

CITIES IN YAMHILL COUNTY USING URBAN RENEWAL

McMinnville

Carlton

Dundee



URBAN RENEWAL

What work has been done?

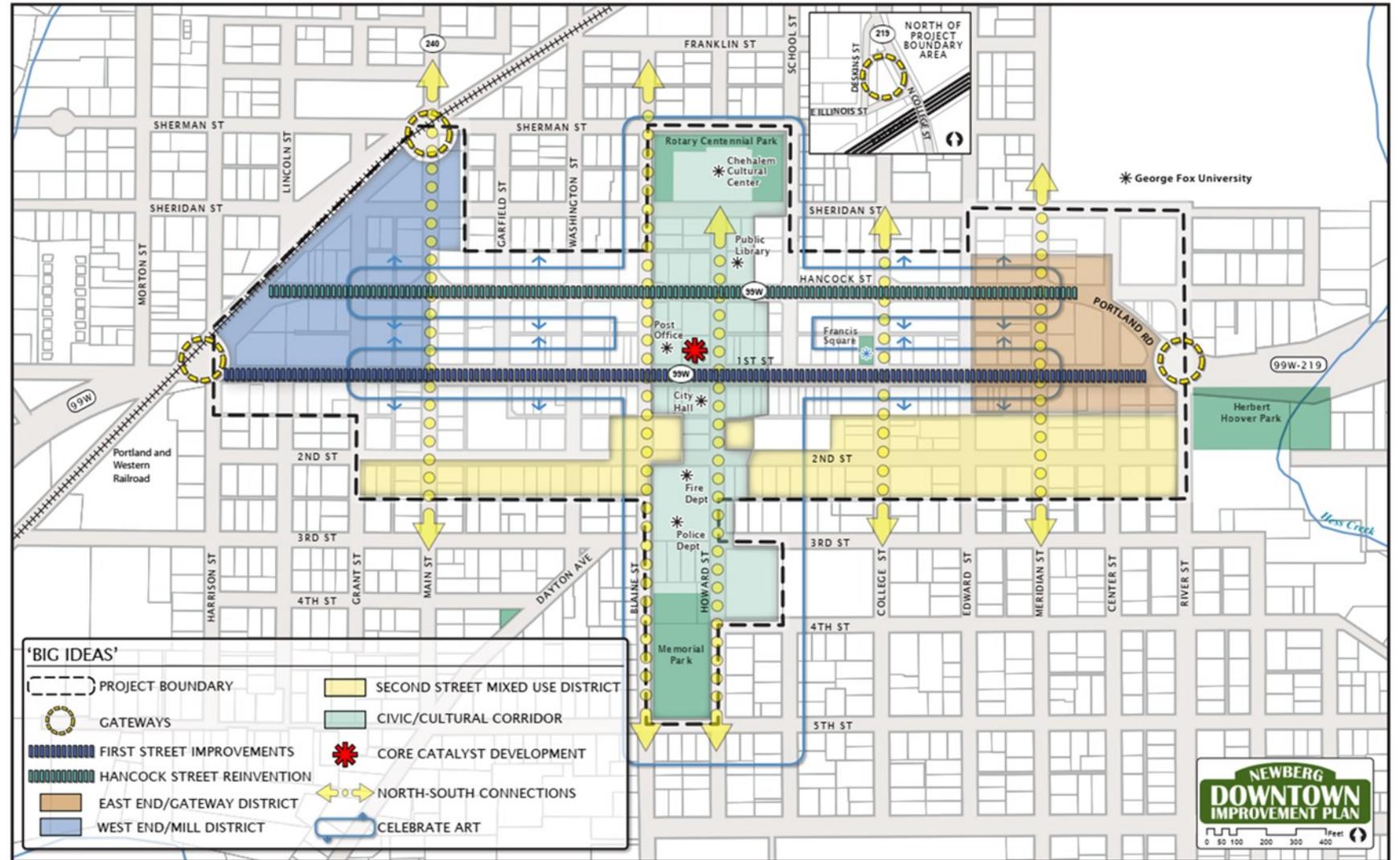
What determines which projects will be funded?

Where will the dollars go?

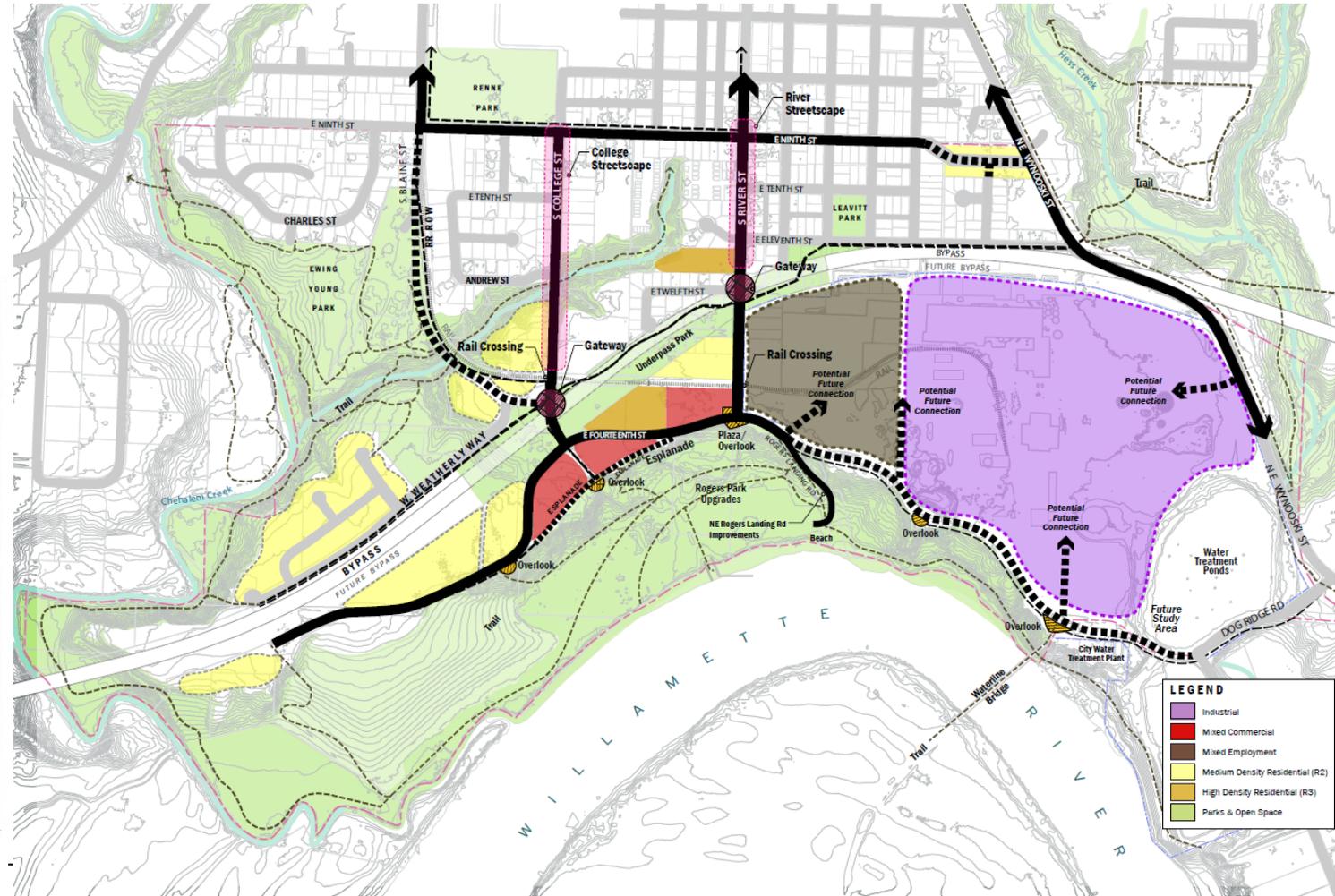
The Urban Renewal Feasibility Study is being conducted after years of the City of Newberg developing plans. The City of Newberg has engaged in multiple long-range planning projects to determine what projects matter to Newberg Residents and where money from a possible Urban Renewal Area should go. Previous plans also informs the City on what boundaries are being considered for an Urban Renewal Area.



Downtown



Riverfront



IN WHAT STAGE OF PLANNING IS THE CITY?

Preparing an Urban Renewal Feasibility Study

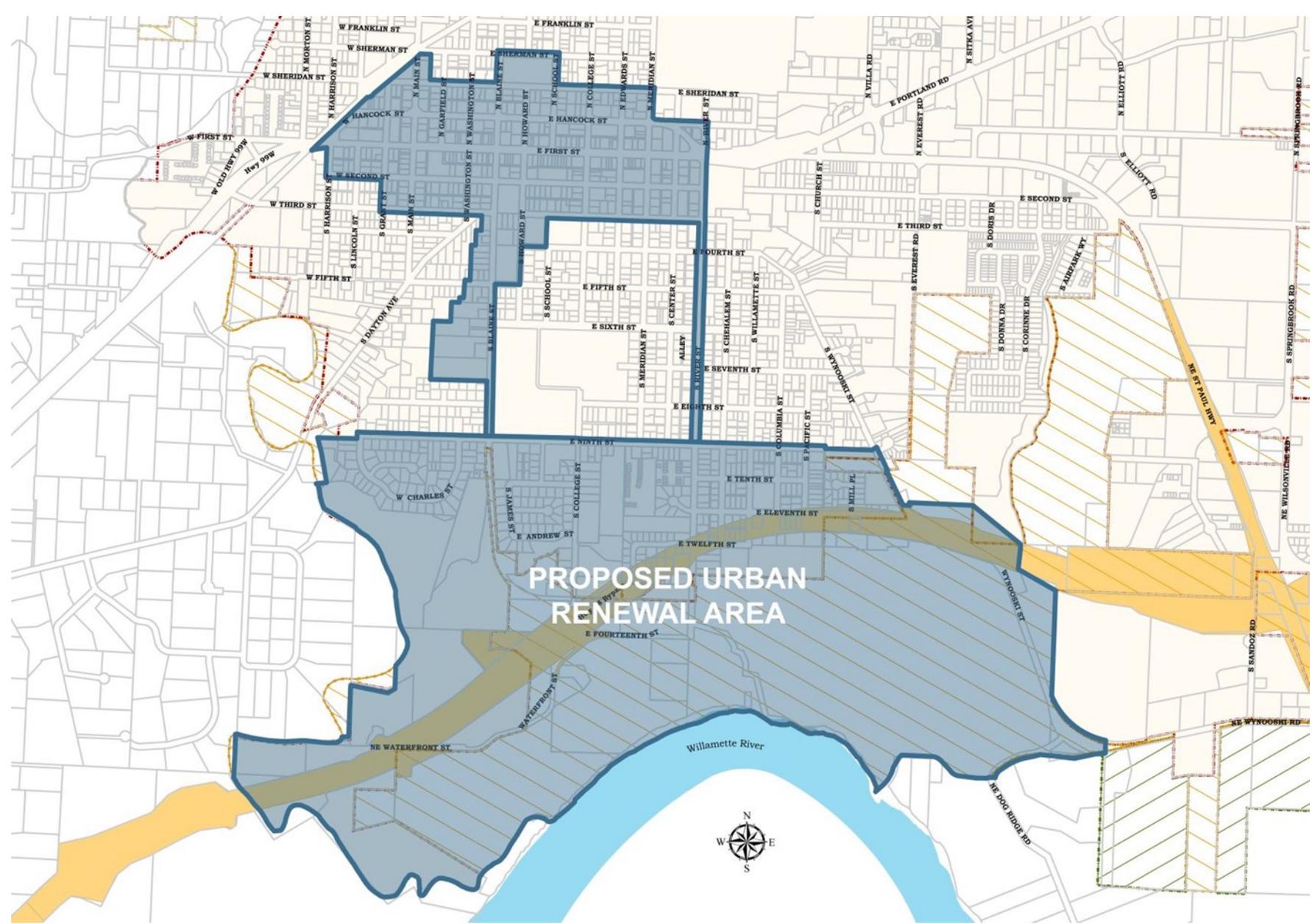
Appointed Ad Hoc Citizens Advisory Committee (CAC)

Study is technical in nature:

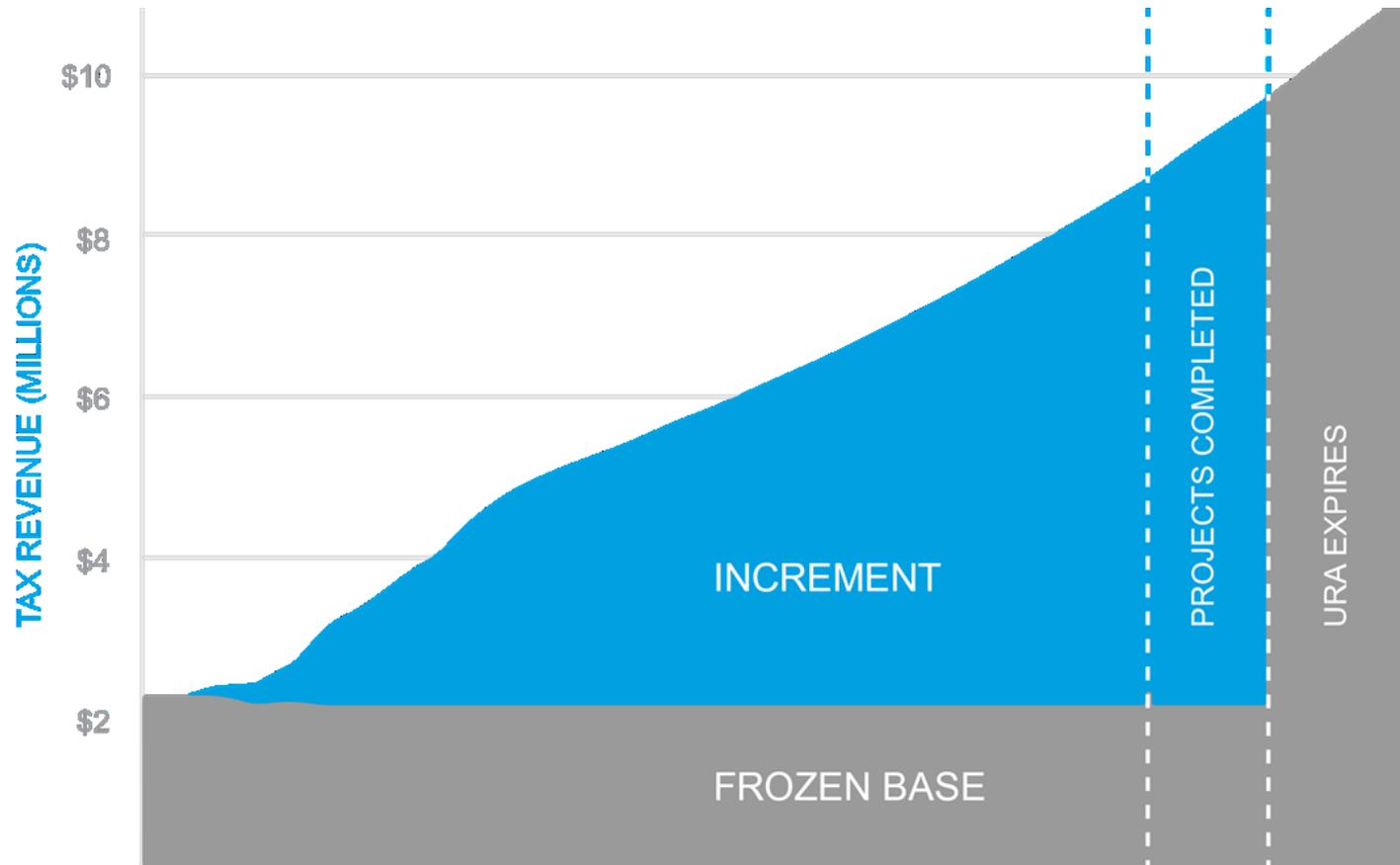
- a) Identified a boundary
- b) Performed a financial analysis - TIF Forecast
- c) Identified potential projects
- d) Summarized public input
- e) Presentation to City Council

Study Area

599.73 acres



HOW DOES URBAN RENEWAL FINANCING WORK?



IMPACTS TO TAXING DISTRICTS

- Continue receiving taxes on frozen base
- Temporarily forego taxes on any growth in Urban Renewal area
- Growth may not have occurred but not for urban renewal



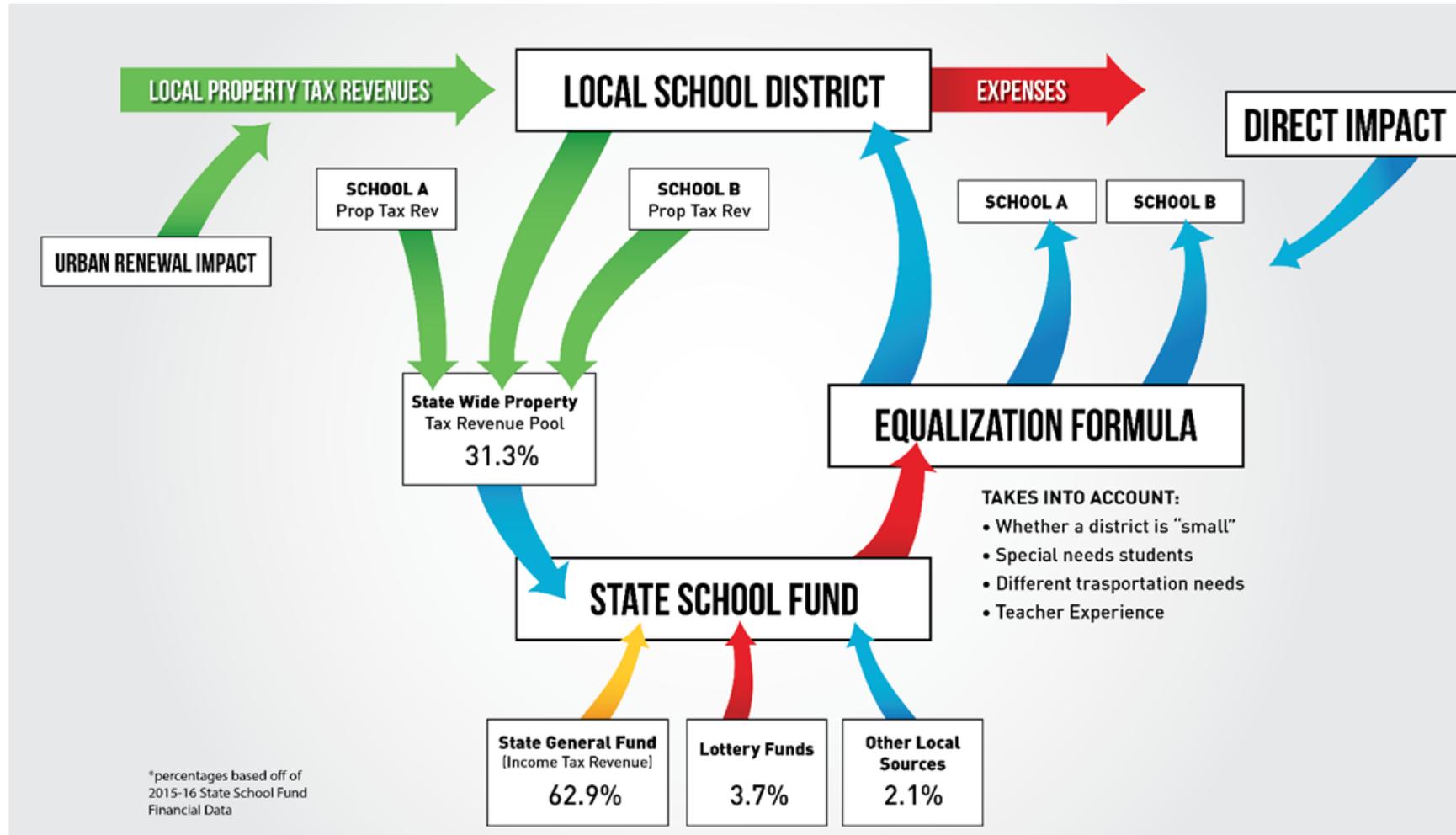
PROPERTY TAXES AND URBAN RENEWAL

- ❖ Urban Renewal Division of Taxes does not increase property taxes, it uses increases in property taxes that were already happening
- ❖ Urban Renewal is a line item on your property tax bill
- ❖ No bonds or local option levies will be impacted by the potential urban renewal plan

PROPERTY TAX BILL WITH URBAN RENEWAL

| Taxing District | Rate | Property Value | Property Value without UR – 3% increase | Property Value With UR – 3% increase |
|----------------------------|-------------------|-------------------|---|--------------------------------------|
| Property Value | | \$100,000 | \$103,000.00 | \$103,000.00 |
| Yamhill County | \$ 2.5775 | \$257.75 | \$265.48 | \$257.75 |
| YC 4H and Extension | \$ 0.0449 | \$4.49 | \$4.62 | \$4.49 |
| YC Soil & Water | \$ 0.0354 | \$3.54 | \$3.65 | \$3.54 |
| TVFR | \$ 1.5252 | \$152.52 | \$157.10 | \$152.52 |
| Chehalem Park & Rec | \$ 0.9076 | \$90.76 | \$93.48 | \$90.76 |
| City of Newberg | \$ 2.5750 | \$257.50 | \$265.23 | \$257.50 |
| School District 29J | \$ 4.6616 | \$466.16 | \$480.14 | \$466.16 |
| Portland Community College | \$ 0.2828 | \$28.28 | \$29.13 | \$28.28 |
| Willamette Reg. ESD | \$ 0.2967 | \$29.67 | \$30.56 | \$29.67 |
| | | \$0.00 | \$0.00 | \$0.00 |
| Urban Renewal | | | | \$38.62 |
| Total | \$ 12.9067 | \$1,290.67 | \$1,329.39 | \$1,329.39 |

URBAN RENEWAL IMPACT - Local Schools



STATUTORY LIMITATIONS

| | Acreage | Assessed Value |
|------------------------------|----------|-----------------|
| Potential Urban Renewal Area | 599.73 | \$152,610,424 |
| City of Newberg | 3,799.92 | \$2,037,958,279 |
| Percent in URA | 16.13% | 7.49% |
| Statutory Maximum | 25% | 25% |

PRELIMINARY PROJECT COSTS BY CATEGORY

| Downtown Improvement Plan | Estimated Costs |
|--|---------------------------------------|
| Public Transportation | \$36,998,850 |
| Public Utility | \$10,794,017 |
| Signage/Wayfinding/N/S Connections, Trolley, Parking | \$6,677,481 to \$8,437,406 |
| Pedestrian Furniture | \$175,600 |
| Building Façade | \$500,000 |
| Second Street Utility Undergrounding | \$1,833,200 |
| Subtotal | \$56,979,148 to \$58,739,073 |
| Riverfront Master Plan | |
| Public Transportation | \$33,311,213 |
| Public Utility | \$13,713,780 |
| Riverfront Trails | \$1,824,070 |
| Subtotal | \$48,849,063 |
| Administration | \$9,930,000 |
| TOTAL | \$115,758,211 to \$117,518,136 |

FINANCIAL PROJECTIONS

| Projected Annual Growth in AV | 4% | 5% | 6% | 7% |
|--------------------------------------|--------------|--------------|---------------|---------------|
| Avg Annual Exception AV (2020 \$) | \$1,700,000 | \$4,100,000 | \$7,400,000 | \$11,700,000 |
| Total Net TIF (Over 30 Years) | \$59,300,000 | \$84,400,000 | \$115,900,000 | \$154,300,000 |
| Maximum Indebtedness | \$50,300,000 | \$72,000,000 | \$99,300,000 | \$132,800,000 |
| Capacity (2020 \$) | \$27,900,000 | \$39,400,000 | \$53,700,000 | \$71,100,000 |
| Years 1-5 | \$2,500,000 | \$3,300,000 | \$4,000,000 | \$4,800,000 |
| Years 6-10 | \$3,900,000 | \$5,100,000 | \$6,600,000 | \$8,100,000 |
| Years 11-15 | \$5,100,000 | \$7,000,000 | \$9,200,000 | \$11,900,000 |
| Years 16-20 | \$5,200,000 | \$7,500,000 | \$10,200,000 | \$13,700,000 |
| Years 21-25 | \$5,400,000 | \$8,000,000 | \$11,300,000 | \$15,600,000 |
| Years 26-30 | \$5,700,000 | \$8,500,000 | \$12,400,000 | \$17,100,000 |

Total Estimated Direct Impacts to Taxing Districts – 30 Years

| Annual Growth of AV | Yamhill County | Yamhill County Extension | Yamhill County Soil & Water | City of Newberg | Tualatin Valley Fire & Rescue | Chehalem Park & Recreation District | Portland Community College |
|---------------------|----------------|--------------------------|-----------------------------|-----------------|-------------------------------|-------------------------------------|----------------------------|
| 4% | (\$12,080,969) | (\$210,450) | (\$165,923) | (\$10,830,306) | (\$7,148,746) | (\$4,254,001) | (\$1,325,508) |
| 5% | (\$17,203,263) | (\$299,680) | (\$236,274) | (\$15,422,321) | (\$10,179,793) | (\$6,057,684) | (\$1,887,520) |
| 6% | (\$23,622,189) | (\$411,498) | (\$324,433) | (\$21,176,739) | (\$13,978,104) | (\$8,317,943) | (\$2,591,796) |
| 7% | (\$31,459,295) | (\$548,020) | (\$432,069) | (\$28,202,521) | (\$18,615,603) | (\$11,077,577) | (\$3,451,674) |

Source: Tiberius Solutions

Total Estimated Indirect Impacts to Taxing Districts – 30 years

| Annual Growth of AV | Newberg School District 29J | Willamette Education Service District |
|----------------------------|------------------------------------|--|
| 4% | (\$21,849,329) | (\$1,390,659) |
| 5% | (\$31,113,377) | (\$1,980,294) |
| 6% | (\$42,722,482) | (\$2,719,187) |
| 7% | (\$56,896,469) | (\$3,621,328) |

Source: Tiberius Solutions

FEASIBILITY STUDY

Newberg Urban Renewal
Feasibility Study Executive
Summary



Newberg Urban Renewal
Feasibility Study



FARMERS' MARKET/CIVIC ORGANIZATIONS



VIDEOS

- What is Urban Renewal?
- Why Use Urban Renewal?
- Where in the Urban Renewal Process is the City of Newberg?
- How does Urban Renewal Impact Taxing Districts?
- How does Urban Renewal Impact the School District?
- How are TIF Funds Distributed to an Urban Renewal Agency?



NEXT STEPS

1. Planning Commission Update July 9
2. Taxing Districts Outreach July 3 - 19
3. Presentation of Feasibility Study &
Action on CAC Recommendation July 20